

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CITY OF MAYSVILLE,)	
KENTUCKY, FOR AUTHORITY TO ACQUIRE AND)	CASE NO.
OPERATE THE SEWERAGE SYSTEM OF SANICO,)	90-265
INC., IN MAYSVILLE, MASON COUNTY, KENTUCKY)		

O R D E R

On September 4, 1990, the city of Maysville, Kentucky ("Maysville"), in order to implement the terms of an agreement between it and Sanico, Inc. ("Sanico"), submitted an application for approval of the transfer of ownership of a sewage collection system owned by Sanico.

Having considered the evidence of record and being sufficiently advised, the Commission finds that:

1. Maysville is a city of the third class. KRS 81.010(3).
2. Sanico, a corporation organized under the laws of Kentucky, owns, operates and manages a sewage collections system which serves approximately 65 residential customers in the vicinity of Jersey Ridge Road in Maysville, Mason County, Kentucky.
3. Sanico is a utility as defined by KRS 278.010(3)(f).
4. Sanico and Maysville have entered into an agreement whereby Sanico will transfer its sewage collection system to Maysville in consideration of Maysville's release and discharge of all delinquent sewer service charges and all sums awarded in City of Maysville v. Sanico, Inc., Mason Circuit Court Action No.

87-CI-025. Sanico's shareholders and directors have unanimously approved and authorized this agreement.

5. All persons under Commission jurisdiction must obtain prior Commission approval before transferring ownership or control of any utility by sale of assets. KRS 278.020(4).

6. As of June 30, 1989, Maysville had total assets of \$8,176,744, total liabilities of \$2,076,572 and total fund equity of \$6,100,172.

7. Maysville has, through its Utility Commission, operated a municipal water-sewer system since 1963.

8. Since December 1, 1989, Maysville's Utility Commission has operated Sanico's sewage collection system as court appointed receiver. Sanico, Inc. v. Commonwealth of Kentucky, Mason Circuit Court Civil Action No. 87-CI-145. The Commission has not received any complaints or adverse comments about this system's operation since Maysville assumed responsibility for it.

9. Maysville owns adequate equipment to provide reasonable utility service to Sanico's customers.

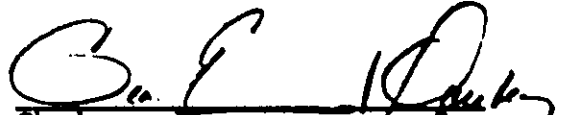
10. Maysville employs 5 office employees and 18 field employees, including 3 employees certified by the Natural Resources and Environmental Protection Cabinet as wastewater treatment plant operators, to provide sewer service to Sanico's customers.


11. Maysville has the financial, managerial and technical abilities to provide reasonable utility service to the persons presently served by Sanico.

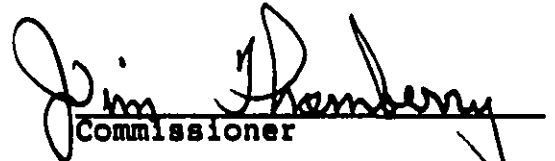
IT IS THEREFORE ORDERED that the transfer of ownership of Sanico's sewage collection system to Naysville is approved.

Done at Frankfort, Kentucky, this 28th day of September, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director